

UNITED PRESS INTERNATIONAL
23 December 1985

REWALD

SAN FRANCISCO

A federal appeals court rejected a request for a rehearing in the bankruptcy case of high-living businessman Ronald Rewald, recently sentenced to 80 years in prison for fraud in Hawaii.

The 9th U.S. Circuit Court of Appeals originally upheld the bankruptcy court ruling in favor of Rewald's creditors. There was no support on the court Monday for rehearing his case by the three-judge panel or for a hearing by a full 11-member panel of the court.

Rewald, 43, said he established the investment counseling firm of Bishop, Baldwin, Rewald, Dillingham & Wong on orders from the CIA. He said he had to solicit and spend investors' money to keep up his cover as a wealthy businessman.

He took \$22 million in five years from 400 people but invested very little of the money, according to the court documents.

Investors began demanding their funds back in 1983 but the firm was nearly without assets, according to the documents.

He was sentenced to 80 years in prison Dec. 10 following his conviction Oct. 21 in an 11-week jury trial on 94 of 98 counts of fraud, perjury and tax evasion.

He also was ordered to make restitution to the 37 victims named in the government indictment.

Rewald's defense attorneys described him as "the spy left out in the cold."

Former CIA officials testified that the role of the agency was limited to using the firm as an address and telephone contact to provide cover for agents.